

5 DEC 1977

MEMORANDUM FOR: Deputy Director of Logistics

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FROM: [REDACTED]

Chief, Procurement Division, OL

SUBJECT:

Review of the National Intelligence Reorganization and Reform Act of 1977, Title IV, Central Intelligence Agency Act of 1977

I have completed a cursory review of the subject draft legislation to include the references contained in Chapters 137 and 139 of Title 10 and submit for your consideration the following observations.

a. I can find no reference anywhere providing the authority for the disposition of personal property.

b. I assume that our authority to procure also permits storage and maintenance of procured articles, in essence, a supply function.

c. Page 16, Section 408(d)(2) specifically prohibits the "umbrella" concept for proprietaries in that the language contained in the last sentence stipulates, "Any proceeds from any such liquidation, sale, or other disposition shall be deposited by the Director into miscellaneous receipts of the Treasury." (Underlining added) This would have precluded us from the dissolution of [REDACTED] and the utilization of residual funds to establish its replacement. Therefore, I suggest that this language be deleted and an appropriate substitute, such as "except when said funds are utilized for a replacement in kind and approved by the Director," be added.

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d. Page 18, Paragraph (b), the Agency's authority to conduct [REDACTED] procurements is clear. However, the last clause, ". . .unless such provision expressly cites this subsection." gives rise to the thought of the Brooks Bill wherein the Director's authority was subrogated in the ADP world as a result of its promulgation. This could happen over and over again merely by citing this subsection.

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e. Page 20, Section 410(c) specifically places us under the cognizance of the Government Accounting Office; and Subsection (c)(2) requires that any exemption taken by the Director must not only be reported but also "the reasons for granting it" must be disclosed. Further, this report must be rendered quarterly, a continuing administrative burden.

f. Page 24 imposes the annual report requirements on all research and development, a continuing administrative burden.

g. Page 25, Section 411(j)(3) requires a summary of the Agency's use of proprietaries during the preceding year, including the identification of such proprietaries and a description of the nature and function of each such proprietary. This I presume requires a complete description and specific identification of our proprietaries and their activities. My concern deals with the proliferation of data concerning proprietaries in the Congress and, therefore, possibly making their activities a matter of public record. I suggest this article be reviewed carefully to preclude the specific identification of the proprietaries.

h. Page 27, Section 412(a)(5) only permits us to provide technical equipment not guidance and training to the Drug Enforcement Administration. I suggest the language in Section 412(a)(4) be considered.

i. Page 28, Section 412(a)(8) and (9), notification required to the Immigration and Naturalization Service and the Internal Revenue Service appears to kill the cover requirements and, therefore, precludes the action necessary to safeguard our employees' travel overseas unless very carefully handled.

j. Page 34, Section 417(a)(5), the restrictions contained in this paragraph dealing with the cost of packaging, crating, and transportation of household effects for 90 days after arrival or until the establishment of residence quarters, "whichever is shorter," is unduly restrictive. I make reference to the establishment of [redacted] Because of the lack of housing available, it was 6 or 7 months before

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any permanent quarters could be obtained. Further, the provision of this action may pose a hardship on employees we place in this position. I suggest that the clause "whichever is shorter" be deleted.

k. Page 47, Section 421(a) - I believe the Section refers to the National Security Act of 1947 and the Central Intelligence Act of 1949 are a miscite.

1. With respect to the review of the two referenced Chapters of Title 10, namely 137 and 139, deal with a whole host of procurement authorities ranging everywhere from the exceptions necessary to formal advertising through types of contracts, advanced payments, allocation of appropriations, assignment and delegation of procurement functions and responsibilities, determination and decisions, examination of records, and research and development, respectively. However, the hooker in Section 409(a) of the proposed legislation stipulate that while the Director has the authority to waive, he must report "any waiver exercised under -- this action shall be reported to the committees of Congress and have jurisdiction over the Agency together with the reasons for exercising the waiver." The effect of this language is to place an undue burden on the Agency and specifically procurement for any deviation whatsoever from any of the provisions of Chapters 137 and 139. For example, if the Director, in his discretion to support operations, intends to provide an advance payment, he must waive the restriction on advance payments and advise his oversite committee of why he waived the restriction; i.e., I make reference to the most recent air transport agreements [redacted] While the rights of the Director in the procurement field are clear under the provisions of Chapters 137 and 139, they are attempting by this legislation to force what I believe to be specific notification each and every time the Director avails himself of the rights of the Director or the head of an agency under the provisions of the referenced Chapters 137 and 139 of Title 10.

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